

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2017-256-C – ORDER NO. 2017-\_\_\_\_\_**

IN RE:

Application of Combined Public Communications, LLC for a Certificate of Public Convenience and Necessity to Provide Intrastate Resold Institutional Telecommunications Services and for Alternative Regulation Within the State of South Carolina	)	<i>PROPOSED</i> ORDER GRANTING CERTIFICATE AND APPROVING ALTERNATIVE REGULATION
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This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Combined Public Communications, LLC (“CPC” or “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide specialized institutional telecommunications services throughout the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280, as amended, and Section 253 of the Telecommunications Act of 1996. CPC also sought alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”).

The Commission’s Docketing Department instructed CPC to publish, one time, a Notice of Filing and Hearing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the Application of CPC and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. CPC complied with this instruction and provided

the Commission with proof of publication of the Notice of Filing and Hearing. No parties intervened.

On November 2, 2017, Lessie C. Hammonds, counsel for the South Carolina Office of Regulatory Staff (“ORS”) filed a letter with the Commission setting out that it had reviewed the Application and did not oppose the Commission granting the Application in consideration of the Stipulation executed by the parties. Pursuant to the Stipulation, CPC will post a bond. The Stipulation was filed on November 2, 2017, and is attached as **Order Exhibit 1**. The ORS also sought to be permitted to be excused from the hearing in the Docket.

A hearing on the Application was held on November 6, 2017 at 10:30 a.m. in the offices of the Commission in Columbia, South Carolina, before Randall Dong, Hearing Examiner. CPC was represented by Frank R. Ellerbe, III, Esquire. At the beginning of the hearing CPC requested that it be allowed to withdraw Exhibit C to the Application filed in this docket. CPC had filed a motion seeking to have Exhibit C protected as confidential and ORS had objected. Following the agreement between CPC and ORS regarding the posting of the bond, ORS agreed that CPC should be allowed to withdraw Exhibit C and that the withdrawal would render moot the request for confidential treatment.

Brett Ruschman, Vice President of Technology for CPC, appeared by video conferencing and testified in support of the Application. The record reveals that CPC is a Delaware limited liability company and has registered to transact business in South Carolina as a foreign limited liability company. According to Mr. Ruschman, CPC seeks authority to provide automated operator-assisted collect and prepaid calling services to inmates and other incarcerated persons in confinement institutions throughout the State of South Carolina. Mr. Ruschman explained the

Company's request for authority, and the record further reveals the Company's services and operations.

Mr. Ruschman also discussed CPC's technical, financial and managerial resources to provide the services for which it seeks authority. Mr. Ruschman offered that CPC is financially able to support its operations in South Carolina. With regard to management and technical capabilities, the Company's Application and Mr. Ruschman's testimony both support the conclusion that CPC's management team has extensive experience in the telecommunications industry that will allow it to be a successful telecommunications carrier within the State of South Carolina. Mr. Ruschman's testimony also indicated that the issuance of a Certificate of Public Convenience and Necessity to CPC to operate as a telecommunications service provided in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications. Mr. Ruschman also testified that CPC will operate in accordance with Commission rules, regulations, guidelines and Commission orders.

The Company requests a waiver of 26 S.C. Code Ann Regs. 103-610, since the Company's books are maintained at its Kentucky headquarters. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). CPC maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP").

In accordance with the Stipulation entered into and signed by the parties, the Company will post a bond consistent with the terms in S.C. Code Ann. Reg. 103-607, specifically the amount of the bond shall be no less than \$100,000. A copy of the bond with and effective date of November 1, 2017 was entered into the record at the November 6, 2017 hearing.

After full consideration of the applicable law, the Company's Application, and the evidence represented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

### **FINDINGS OF FACTS**

1. CPC is organized under the laws of the State of Delaware and is authorized to do business as a foreign limited liability company in South Carolina by the Secretary of State.
2. CPC has no reported record of violations of regulatory laws or regulations in the jurisdictions in which it is currently operating.
3. CPC desires to provide specialized inmate telecommunications services via automated operator-assisted collect and prepaid calling services to inmates and other incarcerated persons in confinement facilities throughout the State of South Carolina.
4. We find that CPC possess the managerial experience and capability to operate as a provider of specialized inmate telecommunications services throughout the State of South Carolina.
5. We find, based on the bond posted by the Company and the testimony submitted at the hearing, that CPC possesses sufficient financial resources to provide the services as described in its Application and testimony.

6. We find that the issuance of a Certificate of Public Convenience and Necessity to CPC to operate as a telecommunications service provider in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications.

7. CPC has no plans to maintain offices in South Carolina and requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds CPC's requested waiver reasonable and understands the difficulty presented to the Company should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies would require the Company to keep its records under the Uniform System of Accounts is reasonable.

8. We also find that a waiver of the requirement to file operating maps pursuant to S.C. Regs. 103-612.2.3 is reasonable since the Company seeks statewide authority.

9. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280(B)(1).

10. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3) (Supp. 2008).

11. Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4).

12. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2).

13. The circumstances of this case merit the requirement that a \$100,000 bond be posted by the Company.

### **CONCLUSIONS OF LAW**

1. The Commission concludes that CPC possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that CPC will participate in the support of universally available telephone service at affordable rates to the extent that CPC may be required to do so by the Commission.

3. The Commission concludes that CPC will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of CPC's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by offering an alternative source of specialized inmate telecommunications service providers and by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of intrastate telecommunications service by CPC will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate telecommunications services as required by CPC and as set forth in its Application and Brett Ruschman's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to CPC to provide resold intrastate telecommunications services to inmates of correctional facilities in South Carolina.

8. We conclude that CPC's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would potentially cause undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA.

9. The Stipulation between the ORS and CPC should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to CPC to provide intrastate specialized institutional telecommunications services within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designees described in the Conclusions of Law above.

3. CPC is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

4. With regard to the Company's resale of service, except for calls placed from phones used by incarcerated persons within correctional facilities, it will allow an end-user to access another interexchange carrier or operator service provider if the end-user so desires.

5. CPC shall resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by this Commission.

6. With regard to the origination and termination of toll calls within the same LATA, shall comply with the terms of Order NO. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, CPC shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4, of the Stipulation and Appendix B approved by Order No. 93-462.

7. CPC shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, CPC shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at [www.psc.sc.gov/reference/forms.asp](http://www.psc.sc.gov/reference/forms.asp) or at the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1<sup>st</sup>**.

8. Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31<sup>st</sup>** of each year. The proper form for filing gross receipts information can be found at the ORS website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov), and the appropriate form is entitled "Gross Receipts Form."



9. Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund (“USF”) worksheet, which may be found on the ORS’s website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). This worksheet provides ORS information required to determine each telecommunications company’s liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **August 15<sup>th</sup>** with the Commission and ORS.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. CPC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at [www.psc.sc.gov/reference/forms.asp](http://www.psc.sc.gov/reference/forms.asp); this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

11. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

12. CPC is granted a waiver of 26 S.C. Code Ann. Regs. 103-610 (Supp. 2008), which requires the Company to maintain its financial books and records within the State of South Carolina. CPC is granted permission to maintain its financial books and records at its principal

headquarters provided that CPC makes its books and records available for examination upon request by the Office of Regulatory Staff. Further, the Commission acknowledges that CPC shall maintain its financial records in conformance with GAAP. CPC is directed to comply with all Rules and Regulations of the Commission unless a regulation is specifically waived by the Commission.

13. CPC will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911” system or “911 service.” However, should CPC in the future offer or provide services which would implicate this Chapter, CPC agrees to contact the appropriate authorities regarding 911 services in the counties and cities where the Company will be operating prior to initiating local service in South Carolina.

14. The Stipulation between CPC and the ORS is hereby approved.

15. CPC shall post the bond as described above.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

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Swain E. Whitfield, Chairman

ATTEST:

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Comer H. “Randy” Randall, Vice Chairman

(SEAL)